



# Group Conflicts of Interest Policy

## Why this is important

1. The Group Conflicts of Interest Policy supports The IAG Way, our Purpose and Strategy by setting out IAG's approach and clear requirements to managing conflicts of interest across IAG. It is important because failure to do so can result in reputational damage, ramifications for stakeholders and a loss of trust from our customers and community.
2. The Policy is designed to:
  - a) ensure conflicts of interest are identified and managed effectively,
  - b) ensure everyone understands how to identify conflicts of interest and what is expected of them when a conflict of interest arises, and
  - c) promote fairness and honesty.

## Who this applies to and when

3. This Policy applies to Insurance Australia Group Limited, its subsidiaries and any other entity or joint venture which it controls (collectively **IAG**) and all its employees and contractors<sup>1</sup>.
4. It applies whenever you act for, or on behalf of, IAG, including whenever an intragroup conflict of interest arises between roles and related entities within IAG (see tip box below).
5. It applies whenever you identify actual, potential, or perceived conflicts of interest.

**TIP:** An intragroup conflict may arise where two or more entities within IAG are involved in, or have an interest in, the same transaction or circumstance (for example, provision of services or commercial agreements between IAL and IMA).

## What is a Conflict of Interest?

6. A conflict of interest is any situation in which a personal interest(s) of an employee or contractor conflicts or may conflict with the interest(s) of IAG.
7. Conflicts of interest can be actual, potential, or perceived. They can be financial or non-financial.

## Requirements

### Identification and Management

8. You must:
  - a) Identify any situation that creates a conflict of interest by using the 'trust test' (see tip box below),
  - b) As soon as you become aware of a conflict, report and escalate the conflict(s) of interest to your Direct Manager and IAG Risk Advisor,
  - c) Where an intragroup conflict of interest applies, notify your Direct Manager, IAG Legal and Company Secretariat and the Chief Risk Officer, Australia or Chief Risk Officer, New Zealand as most applicable, and

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<sup>1</sup> The applicable policy for directors is the Board Policy on Management of Conflicts of Interest (draft) which can be obtained from IAG Legal and Company Secretariat.

- d) Determine a suitable course of action to manage the conflict(s) of interest in line with the Group Conflicts of Interest Guidelines:
- i. *Avoid* – avoiding the conflict(s) of interest which poses an unacceptable risk to, or impact on, IAG’s interests,
  - ii. *Reduce* – reducing the conflict(s) of interest by placing restrictions on your involvement in the matter, or
  - iii. *Retain* – retaining the conflict(s) of interest and continuing to be involved in the matter.
9. You must disclose the conflict of interest by recording it in the [Potential Conflicts of Interest Register](#). If you do not have access to the register, you must keep your own record of each conflict of interest and action taken.
10. At least twice yearly, Group Risk (or equivalent independent party nominated by Group Risk) must complete an independent review of all conflicts of interest.

**TIP:** Use the ‘trust test’ to help identify a conflict of interest – ‘would others trust my judgement if they knew I was in this situation?’ If your answer is ‘No’ then you may be in a situation that creates an actual, potential, or perceived conflict of interest.

## Roles and Responsibilities

11. The responsibilities in relation to this Policy are set out in the table below:

Position	Responsibilities
Group Chief Risk Officer <b>(Policy Owner)</b>	<ul style="list-style-type: none"> <li>• Make sure this Policy and any changes to it are fit for purpose and appropriate.</li> <li>• Make sure the appropriate experts have provided advice about this Policy’s subject matter.</li> <li>• Make sure the appropriate experts are monitoring the environment and the appropriate people are ensuring this Policy is being kept up to date.</li> <li>• Agree with the Approver how often this Policy must be reviewed and make sure it is reviewed at least every two years unless a different time period is specified to meet regulatory or legislative requirements.</li> <li>• Consider and then approve or reject any minor administrative changes to this Policy.</li> <li>• Make sure that any changes to this Policy are well communicated (including to regulators if required).</li> </ul>
IAG Board Risk Committee <b>(Policy Approver)</b>	<ul style="list-style-type: none"> <li>• Consider and then approve or reject the Policy and any changes to it which are not minor administrative changes, making sure it is adequate and appropriate.</li> <li>• If appropriate, direct the Policy Owner to make any amendments that the Policy Approver thinks are necessary.</li> <li>• Consider and then approve or reject any exemptions to the Policy requested (in accordance with the Risk Management Strategy, where applicable).</li> </ul>
EM Risk Culture and Conduct <b>(Key Contact)</b>	<ul style="list-style-type: none"> <li>• Help the Policy Owner meet their responsibilities by interpreting the Policy, providing training and expert advice, and answering questions about the Policy.</li> </ul>
IAG Risk Advisor (Refers to Risk NZ and Risk Australia)	<ul style="list-style-type: none"> <li>• Oversee and give assurance over how 1<sup>st</sup> Line manages conflicts of interest, challenging and advising when it’s needed.</li> </ul>
Enterprise Risk and Operations, Group Risk	<ul style="list-style-type: none"> <li>• Complete an independent review of all conflicts of interest twice yearly (at a minimum).</li> </ul>
Direct Manager	<ul style="list-style-type: none"> <li>• Ensure action plans are adequate and appropriate to manage the conflict of interest.</li> </ul>

## Breaches

12. If you breach this Policy, IAG may take disciplinary action against you. This will depend on the circumstances, including whether your breach is deliberate, how serious it is and whether you have done it before. Disciplinary action could include a warning, dismissal, or IAG ending its business relationship with you.
13. If you break the law, you might face criminal or civil liability. IAG may also require you to participate and/or co-operate in any investigation conducted by a regulatory authority in relation to a breach, potential breach, or alleged breach of this Policy.
14. All breaches of this Policy must be recorded in the IAG risk management information system and reported to the Executive General Manager, Enterprise Risk and Operations and the most senior risk function executive for the relevant Division.

## Definitions

15. For definitions refer to the [Risk Glossary](#).

## Contacts for questions and more information

16. This Policy is owned by the Group Chief Risk Officer. If you have any questions or would like more information about this Policy, you should contact the Executive Manager Risk Culture and Conduct.

### Policy Information

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<b>Effective from</b>	August 2021
<b>Policy Owner</b>	Group Chief Risk Officer
<b>Policy Approver</b>	Insurance Australia Group Ltd Board
<b>Next Review due</b>	August 2023
<b>Entities this applies to</b>	Insurance Australia Group Ltd, its subsidiaries and any other entity or joint venture which IAG controls (collectively IAG).
<b>Related documents</b>	<a href="#">Group Code of Ethics and Conduct</a> <a href="#">Group Anti-Bribery and Corruption Policy</a> <a href="#">Group Anti-Bribery and Corruption Standard</a> <a href="#">Group Anti-Money Laundering &amp; Counter Terrorism Financing Policy</a> <a href="#">Group Conflict of Interest Guideline</a> <a href="#">Group Delegations &amp; Authorities Policy</a> <a href="#">Group Fit &amp; Proper Policy</a> <a href="#">Group Fraud Policy</a> <a href="#">Group Organisational Conduct and Customer Risk Framework</a> <a href="#">Group Organisational Conduct and Customer Risk Standard</a> <a href="#">Group Sanctions Policy</a> <a href="#">Group Security Trading Policy</a> <a href="#">Group Whistleblower Policy</a> <a href="#">Group Whistleblower Procedure</a> <a href="#">The IAG Way</a> <a href="#">IMA Conflicts of Interest Policy</a>

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### Document history

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Version	Date	Amended by	Details of amendment
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1	July 2018	Group Risk	New Policy (version 1)
2	June 2021	Group Risk – Risk Culture and Conduct	Refresh of key Policy information and alignment to Group Conflicts of Interest Guideline

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